## **Electronically Recorded**

**Tarrant County Texas** 

Official Public Records

3/17/2011 2:23 PM

D211064292

NOTICE OF CONFIDENTIALITY RIGHTS: IF YOU ARE A NATURAL PERSON, YOU MAY REMOVE OR STRIKE ANY OR ALL OF THE FOLLOWING INFORMATION FROM ANY INSTRUMENT THAT TRANSFERS AN INTEREST IN REAL PROPERTY BEFORE IT IS FILED FOR RECORD IN THE PUBLIC RECORDS: YOUR SOCIAL SECURITY NUMBER OR YOUR DRIVER'S LICENSE NUMBER.

Producers 88 (4-89) — Paid-Up With 640 Acres Pooling Provision

## PAID-UP OIL AND GAS LEASE (No Surface Use)

THIS LEASE AGREEMENT is made this 10<sup>TH</sup> day of MARCH, 2011 by and between GARY HOLLIS & SHARON HOLLIS whose address is 4808 SAINT THOMAS PLACE, Oklahoma 73154-0496, as Lessee. All printed portions of this lease were prepared by the party hereinabove named as Lessee, but all other provisions (including the completion of blank to provide the party hereinabove named as Lessee, but all other provisions (including the completion of blank to provide the party hereinabove named as Lessee, but all other provisions (including the completion of blank to provide the party hereinabove named as Lessee, but all other provisions (including the completion of blank to provide the party hereinabove named as Lessee, but all other provisions (including the completion of blank to provide the party hereinabove named as Lessee, but all other provisions (including the completion of blank to provide the party hereinabove named as Lessee, but all other provisions (including the completion of blank to provide the party hereinabove named as Lessee, but all other provisions (including the completion of blank to provide the party hereinabove named as Lessee, but all other provisions (including the completion of blank to provide the party hereinabove named as Lessee, but all other provisions (including the completion of blank to provide the party hereinabove named the party hereina

1. In consideration of a cash bonus in hand paid and the covenants herein contained, Lessor hereby grants, leases and lets exclusively to Lessee the following described land, hereinafter called leased premises:

SURVEY - N.B. BREEDING

ABSTRACT# - 189

Lot 5, Block 9, Crestridge Addition, City of fort Worth, according to map or plat thereof recorded in Volume 388-190, Page 20, of the Plat Records of Tarrant County, Texas, including all streets, alleys, right of ways, gores and strips of land adjacent and contiguous hereto and made a part hereof.

in the County of TARRANT, State of TEXAS, containing 0.2469 gross acres, more or less (including any interests therein which Lessor may hereafter acquire by reversion, prescription or otherwise), for the purpose of exploring for, developing, producing and marketing oil and gas, along with all hydrocarbon and non hydrocarbon substances produced in association therewith described leased premises, this lease aiso covers accretions and any small strips or parcels of land now or hereafter owned by Lessor which are contiguous or adjacent to the above-described leased premises, and, in consideration of the aforementioned cash bonus, Lessor agrees to execute at Lessee's request any additional or supplemental instruments for a more complete or accurate description of the land so covered. For the purpose of determining the amount of any shut-in royalities hereunder, the number of gross acres above specified shall be deemed correct, whether actually more or less.

- 2. This lease, which is a "paid-up" lease requiring no rentals, shall be in force for a primary term of three (3) years from the date hereof, and for as long thereafter as oil or gas or other tances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is otherwise maintained in effect pursuant to the provisions hereof.
- substances covered hereby are produced in paying quantities from the leased premises or from lands pooled therewith or this lease is officerwise maintained in effect pursuant to the provisions beword.

  3. Royalties on oil, gas and other substances produced and saved hereunder shall be paid by Lesser to Lessor as follows: (a) For oil and other liquid by phocarbons separated at Lessee's separator facilities, provided that Lessee shall have the containing right to purchase such production at the wellhead or to Lessor's ordelit at the oil purchaser's reprice then prevailing in the same field, then in the nearest field in which there is such a prevailing prize for production of similar grade and gravity; (b) for gas (including easing head gas) and production, severance, or other excise taxes and the costs incurred by Lesser in delivering, processing or otherwise marketing such gas or other substances, provide that Include the same field, then in the nearest field in which there is not an extension of the production of similar grade and gravity; (b) for gas (including easing head gas) and production, severance, or other excise taxes and the costs incurred by Lesser in delivering, processing or otherwise marketing such gas or other substances, provided that Include the same field, then in the nearest field in which there is not as prevailing wellhead market price pand for production of the same field (or if there is no such price then prevailing wellhead market price pand for production and the same of the same reporting and the same field, then in the nearest field in which there is not a prevailing price pursuant to comparable purchase contracts eathered into on the same or nearest proceding date as the date on which there is not an experiment of the production of gas or other substances covered hereby in paying quantities or such wells are waiting on privation fractions and the same of the object of the production of gas or other substances covered hereby in paying quantities or such wells are waiting on privating

- occupants of eased premises as to romanous tern capable or producing in paying quantines on the leased premises or ands pooled threewith, or (0) to proved the leased premises municompensated drainage by any well or wells located on other lands or to product threewith. There shall be no covenant to drill exploratory wells or any additional wells exceed as expressly provided between.

  6. Lesses shall have the right but not the obligation to pool all or any part of the leased premises, whether or not simular pooling authority exists with respect to me hother lands or interests, as to any or all depths or zones, and as to any or all substances covered by this lease, either before or after the commencement of production, whenever Lesses deems in necessary or proper to do so in order to produce the commencement of production, whenever Lesses deems in necessary or proper to do so in order to produce the commencement of production, whenever Lesses deems in necessary or proper to do so in order to produce the commencement of production, whenever Lesses deems in necessary or proper to do so in order to produce the commencement of production and the production of the commencement of the production and the production and

## Page 2 of 2

interest in less than all of the area covered hereby, Lessee's obligation to pay or tender shut-in royalties shall be proportionately reduced in accordance with the net acreage interest retained.

- In exploring for, developing, producing and marketing oil, gas and other substances covered hereby on the leased premises or lands pooled or unitized herewith, in primary and/or enhanced recovery, Lessee shall have the right of ingress and egress along with the right to conduct such operations on the leased premises as may be reasonably necessary for such purposes, including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canais, pipelines, tanks, water wells, disposal wells, injection wells, pits, electric including but not limited to geophysical operations, the drilling of wells, and the construction and use of roads, canals, pipelines, tanks, water wells, disposal wells, injection wells, pips, electric and telephone lines, power stations, and other facilities deemed necessary by Lessee to discover, produce, store, treat and/or transport production. Lessee may use in such operations, free of cost, any oil, gas, water and/or other substances produced on the leased premises, except water from Lessor's wells or ponds. In exploring, developing, producing or marketing from the leased premises or lands pooled therewith, the ancillary rights granted berein shall apply (a) to the entire leased premises described in Paragraph 1 above, notwithstanding any partial released premises or lands pooled therewith. When requested by Lessor in writing, Lessee shall bury its pipelines below ordinary plow depth on cultivated lands. No well shall be located less than 200 feet from any house or barn now on the leased premises or such other lands, and to commercial timber and growing crops thereon. Lessee shall have the right at any time to remove its fixtures, equipment and materials, including well casing, from the leased premises or such other lands during the term of this lease or within a reasonable time thereafter.

  11. Lessee's obligations under this lease, whether express or implied, shall be subject to all applicable laws, rules, regulations and orders of any governmental authority having jurisdiction including restrictions on the drilling and production of wells, and the price of oil, gas, and other substances covered hereby. When drilling, reworking, production or other operations are prevented or delayed by such laws, rules, regulations or orders, or by inability to obtain necessary permits, equipment, services, material, water, electricity, fuel, access or easements, or by fire, flood, adverse weather conditions, war, sabotage, rebellion, insurrection, riot, strike or labor disputes, or by inability to obtain a satisfactor
- 12. In the event that Lessor, during the primary term of this lease, receives a bona fide offer which Lessor is willing to accept from any party offering to purchase from Lessor a lease covering any or all of the substances covered by this lease and covering all or a portion of the land described herein, with the lease becoming effective upon expiration of this lease, Lessor hereby agrees to notify Lessee in writing of said offer immediately, including in the notice the name and address of the offeror, the price offered and all other pertinent terms and conditions of the offer. Lessee, for a period of fifteen days after receipt of the notice, shall have the prior and preferred right and option to purchase the lease or part thereof or interest therein, covered by the offer at the price and according to the terms and conditions specified in the offer.
- 13. No litigation shall be initiated by Lessor with respect to any breach or default by Lessee hereunder, for a period of at least 90 days after Lessor has given Lessee written notice fully describing the breach or default, and then only if Lessee fails to remedy the breach or default, within such period. In the event the matter is litigated and there is a final judicial determination that a breach or default has occurred, this lease shall not be forfeited or canceled in whole or in part unless Lessee is given a reasonable time after said judicial determination to remedy the breach or default and Lessee fails to do so
- 14. For the same consideration recited above, Lessor hereby grants, assigns and conveys into Lessee, its successors and assigns, a perpetual subsurface well bore easement under and through the leased premises for the placement of well bores (along routes selected by Lessee) from oil or gas wells the surface locations of which are situated on other tracts of land and which are not intended to develop the leased premises or lands pooled therewith and from which Lessor shall have no right to royalty or other benefit. Such subsurface well bore easements shall run with the land and survive any termination of this lease.

with the land and survive any termination of this lease.

15. Lessor hereby warrants and agrees to defend title conveyed to Lessee hereunder, and agrees that Lessee at Lessee's option may pay and discharge any taxes, mortgages or liens existing, levied or assessed on or against the leased premises. If Lessee exercises such option, Lessee shall be subrogated to the rights of the party to whom payment is made, and, in addition to its other rights, may reimburse itself out of any royalties or shur-in royalties otherwise payable to Lessor bereunder. In the event Lessee is made aware of any claim inconsistent with Lessor's title, Lessee may suspend the payment of royalties and shur-in royalties hereunder, without interest, until Lessee has been furnished satisfactory evidence that such claim has been resolved.

16. Notwithstanding anything contained to the contrary in this lease, Lessee shall not have any rights to use the surface of the leased premises for drilling or other operations.

17. This lease may be executed in counterparts, each of which is deemed an original and all of which only constitute one original.

DISCLAIMER OF REPRESENTATIONS: Lessor acknowledges that oil and gas lease payments, in the form of rental, bonus and royalty, are market sensitive and may vary depending on multiple factors and that this Lease is the product of good faith negotiations. Lessor understands that these lease payments and terms are final and that Lessor entered into this lease without duress or undue influence. Lessor recognizes that lease values could go up or down depending on market conditions. Lessor acknowledges that no representations or assurances were made in the negotiation of this lease that Lessor would get the highest price or different terms depending on future market conditions. Neither party to this lease will seek to alter the terms of this transaction based upon any differing terms which Lessee has or may negotiate with any other lessors/oil and gas owners.

IN WITNESS WHEREOF, this lease is executed to be effective as of the date first written above, but upon execution shall be binding on the signatory and the signatory's heirs, devisees, executors, administrators, successors and assigns, whether or not this lease has been executed by all parties hereinabove named as Lessor.

LESSOR (WHETHER ONE OR MORE)

**ACKNOWLEDGMENT** 

STATE OF TEX AS COUNTY OF KRRANT

This instrument was acknowledged before me on the 14 day of MARCH HOLLIS.

, 2011, by GARY HOLLIS AND SHARON

JONATHAN V. WHITE Notary Public, State of Texas My Commission Expires February 03, 2015

Notary Public, State of Notary's name (printed): Notary's commission ex

haron Hollis